



Reprinted
January 29, 2002

SENATE BILL No. 175

DIGEST OF SB 175 (Updated January 28, 2002 4:22 PM - DI 101)

Citations Affected: IC 6-1.1; IC 21-2; IC 21-3.

Synopsis: School referendum tax levies. Provides that if an excessive levy referendum is approved, a school corporation may impose a referendum tax levy that is separate from the general fund tax levy. Provides that voters may reimpose or extend a referendum tax levy through the referendum process but may not approve a referendum tax levy that is imposed for more than seven years. Provides that if the majority of voters in a referendum to allow a school corporation to impose a referendum tax levy did not vote to approve the levy, another referendum to impose a referendum tax levy may not be held for a period of two years. Does not include the referendum tax levy in the determination of state tuition support or maximum general fund tax levy. Provides that a levy increase due to the imposition of a referendum tax levy is not eligible for property tax replacement credits.

Effective: January 1, 2003.

Long, Blade, Kenley

January 7, 2002, read first time and referred to Committee on Finance.
January 22, 2002, reported favorably — Do Pass.
January 28, 2002, read second time, amended, ordered engrossed.

SB 175—LS 6399/DI 103+



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January 29, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 175

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-19-4.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4.5. (a) With
3 respect to every appeal petition that is delivered to the tax control board
4 by the ~~state board of tax commissioners~~ **department of local**
5 **government finance** under section 4.1 of this chapter and that includes
6 a request for emergency financial relief (except an appeal petition
7 described in section 4.7 of this chapter), the tax control board shall,
8 after having made the study of the appeal petition and related materials
9 that the tax control board considers necessary, make an appropriate
10 recommendation to the ~~state board of tax commissioners~~ **department**
11 **of local government finance**. If the appeal petition requests an
12 excessive tax levy under subsection (c), the tax control board shall
13 expedite the board's review as necessary to permit the referendum to be
14 conducted without a special election. In respect of the appeal petition,
15 the tax control board may make to the ~~state board of tax commissioners~~
16 **department of local government finance** any of the recommendations
17 described in section 4.4(a) of this chapter, subject to the limitations

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described in section 4.4(b) of this chapter.

(b) In addition, if the tax control board concludes that the appellant school corporation cannot, in the ensuing calendar year, carry out the public educational duty committed to the appellant school corporation by law if, for the ensuing calendar year, the appellant school corporation does not receive emergency financial relief, the tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the order of the county board of tax adjustment or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be approved, or disapproved and modified, as specified in the tax control board's recommendation and that the appellant school corporation receive emergency financial relief from the state, on terms to be specified by the tax control board in the board's recommendation, in the form of:

- (1) a grant or grants from any funds of the state that are available for such a purpose;
- (2) a loan or loans from any funds of the state that are available for such a purpose;
- (3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- (4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- (5) permission to the appellant school corporation to:
 - (A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's cumulative building fund; or
 - (B) use, for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's cumulative building fund;
- (6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or
- (7) a combination of the emergency financial relief described in subdivisions (1) through (6).

(c) In addition to, or in lieu of, any recommendation that the tax control board may make under this section, the tax control board may recommend that the appellant school corporation be permitted to make

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1 ~~an excessive a referendum~~ tax levy for the ensuing calendar year
 2 **under this subsection.** The recommendation may not be put into effect
 3 until a majority of the individuals who vote in a referendum that is
 4 conducted in accordance with the following requirements approves the
 5 appellant school corporation's making ~~an excessive a referendum~~ tax
 6 levy for the ensuing calendar year:

7 (1) Whenever:

8 (A) the tax control board recommends to the ~~state board of tax~~
 9 ~~commissioners~~ **department of local government finance** that
 10 the appellant school corporation be permitted to make ~~an~~
 11 ~~excessive a referendum~~ tax levy for the ensuing calendar year
 12 if a majority of the individuals voting in a referendum held in
 13 the appellant school corporation approves the appellant school
 14 corporation's making ~~an excessive a referendum~~ tax levy;

15 (B) the ~~state board of tax commissioners~~ **department of local**
 16 **government finance** gives the board's written approval of the
 17 recommendation; and

18 (C) the appellant school corporation requests that the tax
 19 control board take the steps necessary to cause a referendum
 20 to be conducted;

21 the tax control board shall proceed in accordance with this
 22 subsection.

23 (2) The question to be submitted to the voters in the referendum
 24 must read as follows:

25 "For the __ (insert number) calendar year **or years**
 26 immediately following the holding of the referendum, shall the
 27 school corporation impose a property tax rate that does not
 28 exceed _____ (insert amount) cents (\$0. __) (insert
 29 amount) on each one hundred dollars (\$100) of assessed
 30 valuation and that is in addition to the school corporation's
 31 normal tax rate?".

32 **The voters in a referendum may not approve a referendum**
 33 **tax levy that is imposed for more than seven (7) years.**
 34 **However, a referendum tax levy may be reimposed or**
 35 **extended under this subsection.**

36 (3) The tax control board shall act under IC 3-10-9-3 to certify the
 37 question to be voted on at the referendum to the county election
 38 board of each county in which any part of the appellant school
 39 corporation lies. Each county clerk shall, upon receiving the
 40 question certified by the tax control board, call a meeting of the
 41 county election board to make arrangements for the referendum.
 42 The referendum shall be held in the next primary or general



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election in which the residents of the appellant school corporation are entitled to vote after certification of the question under IC 3-10-9-3. However, if the referendum would be held at a primary or general election more than six (6) months after certification by the tax control board, the referendum shall be held at a special election to be conducted not less than sixty (60) days after the question is certified to the circuit court clerk or clerks by the tax control board. The appellant school corporation shall advise each affected county election board of the date on which the appellant school corporation desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the appellant school corporation. The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum. Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1. ~~and IC 20-5-12.~~ If the referendum is not conducted at a primary or general election, the appellant school corporation in which the referendum is to be held shall pay all of the costs of holding the referendum.

(4) Each county election board shall cause the question certified to the circuit court clerk by the tax control board to be placed on the ballot in the form prescribed by IC 3-10-9-4. The county election board shall also cause an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum is to be held.

(5) The individuals entitled to vote in the referendum are all of the registered voters resident in the appellant school corporation.

(6) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify those two (2) totals to the county election board of each county in which the referendum is held. The circuit court clerk of each county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the tax control board. Upon receiving the certification of all of the votes cast in the referendum, the tax control board shall promptly certify the result of the referendum to the ~~state board of tax commissioners~~ **department of local government finance**. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question, the ~~state board of tax commissioners~~ **department of local government finance**, upon

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being notified in the manner described in this subsection of the result of the referendum, shall take prompt and appropriate steps to notify the appellant school corporation that the appellant school corporation is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, ~~an excessive a referendum~~ tax levy not greater than the amount approved in the referendum. The ~~excessive referendum~~ tax levy ~~shall become the adjusted base levy for that may be imposed for the number of~~ calendar year years approved by the voters following the referendum for the school corporation in which the referendum is held. ~~unless the question upon which the voters voted at the referendum has been framed to preclude the excessive tax levy from becoming the adjusted base levy of the school corporation.~~ **If a majority of the individuals who voted in the referendum voted "yes" on the referendum question, the school corporation shall establish a referendum tax levy fund under IC 21-2-11.6. A school corporation's referendum tax levy may not be considered in the determination of the school corporation's state tuition support under IC 21-3-1.7 or the determination of the school corporation's maximum general fund tax levy under this chapter and IC 21-3-1.7. If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question, the appellant school corporation may not make any tax levy for its general fund other than a normal tax levy and another referendum under this subsection may not be held for a period of two (2) years after the date of the referendum.**

(d) With respect to any school corporation to which a loan or advance of state funds is made under this section, or for which such a loan or an advance is recommended, for purposes other than the purpose specified in section 4.7 of this chapter, the tax control board may recommend to the ~~state board of tax commissioners~~ **department of local government finance** that the school corporation be authorized, for a specified calendar year, and solely for the purpose of enabling the school corporation to repay the loan or advance, to collect an excessive tax levy. A recommendation under this subsection must specify the amount of the recommended excessive tax levy. Upon receiving the recommendation from the tax control board, and without any other proceeding, the ~~state board of tax commissioners~~ **department of local government finance** may authorize the school corporation, for a specified calendar year, to make an excessive tax levy in accordance with the recommendation of the tax control board or in accordance with



a modification of the recommendation that the ~~state board of tax commissioners department of local government finance~~ determines is proper. Whenever the ~~state board of tax commissioners department of local government finance~~ exercises the power given to the ~~state board of tax commissioners department of local government finance~~ under this subsection, the ~~state board department of local government finance~~ shall, in the ~~state board's department of local government finance's~~ order to the affected school corporation, specify the amount of the authorized excessive tax levy and take appropriate steps to ensure that so much of the proceeds of the excessive tax levy as should be used for loan repayment purposes is not used for any other purpose. The ~~state board of tax commissioners department of local government finance~~ may not exercise the power described in this subsection to authorize any school corporation to collect an excessive tax levy for more than one (1) calendar year in any period of four (4) consecutive calendar years.

SECTION 2. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract

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adjustments which change the amount of the aggregate levy;
minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative

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building fund whose property tax rate was not initially
 established or reestablished for a stated assessment year that
 succeeds the 1983 stated assessment year; minus
 (G) the amount of property taxes imposed in the county for the
 stated assessment year under:
 (i) IC 21-2-15 for a capital projects fund; plus
 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 (iii) IC 20-14-13 for a library capital projects fund; plus
 (iv) IC 20-5-17.5-3 for an art association fund; plus
 (v) IC 21-2-17 for a special education preschool fund; plus
 (vi) **IC 21-2-11.6 for a referendum tax levy fund; plus**
 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
 a school corporation's maximum permissible general fund
 levy for certain transfer tuition costs; plus
~~(vii)~~ (viii) an appeal filed under IC 6-1.1-19-5.4 for an
 increase in a school corporation's maximum permissible
 general fund levy for transportation operating costs; minus
 (H) the amount of property taxes imposed by a school
 corporation that is attributable to the passage, after 1983, of a
 referendum for an excessive tax levy under IC 6-1.1-19,
 including any increases in these property taxes that are
 attributable to the adjustment set forth in IC 6-1.1-19-1.5(a)
 STEP ONE or any other law; minus
 (I) for each township in the county, the lesser of:
 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
 whichever is applicable, plus the part, if any, of the
 township's ad valorem property tax levy for calendar year
 1989 that represents increases in that levy that resulted from
 an appeal described in IC 6-1.1-18.5-13(5) filed after
 December 31, 1982; or
 (ii) the amount of property taxes imposed in the township for
 the stated assessment year under the authority of
 IC 36-8-13-4; minus
 (J) for each participating unit in a fire protection territory
 established under IC 36-8-19-1, the amount of property taxes
 levied by each participating unit under IC 36-8-19-8 and
 IC 36-8-19-8.5 less the maximum levy limit for each of the
 participating units that would have otherwise been available
 for fire protection services under IC 6-1.1-18.5-3 and
 IC 6-1.1-18.5-19 for that same year; minus
 (K) for each county, the sum of:

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(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

SECTION 3. IC 21-2-11.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 11.6. Referendum Tax Levy Fund

Sec. 1. As used in this chapter, "school corporation" has the meaning set forth in IC 21-2-11-1.

Sec. 2. As used in this chapter, "governing body" has the



1 meaning set forth in IC 21-2-11-1.

2 **Sec. 3. (a) The governing body of each school corporation for**
 3 **which a referendum tax levy is approved under IC 6-1.1-19-4.5(c)**
 4 **shall establish a referendum tax levy fund.**

5 **(b) A school corporation may impose a referendum tax levy in**
 6 **the amount allowed under IC 6-1.1-19-4.5(c) for the school**
 7 **corporation.**

8 **(c) Property tax collections from a school corporation's**
 9 **referendum tax levy shall be deposited in the referendum tax levy**
 10 **fund. Money in the fund may be used for any lawful school**
 11 **expenses.**

12 SECTION 4. IC 21-3-1.7-3.1, AS AMENDED BY P.L.291-2001,
 13 SECTION 240, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2003]: Sec. 3.1. (a) As used in this
 15 chapter, "previous year revenue" for calculations with respect to a
 16 school corporation equals:

17 (1) the school corporation's tuition support for regular programs,
 18 including basic tuition support, and excluding:

19 (A) special education grants;

20 (B) vocational education grants;

21 (C) at-risk programs;

22 (D) the enrollment adjustment grant;

23 (E) for 1999 and thereafter, the academic honors diploma
 24 award; and

25 (F) for 2001 and thereafter, the primetime distribution;

26 for the year that precedes the current year; plus

27 (2) the school corporation's tuition support levy for the year that
 28 precedes the current year before the reductions required under
 29 section 5(1) **and** 5(2) ~~and 5(3)~~ of this chapter; plus

30 (3) distributions received by the school corporation under
 31 IC 6-1.1-21.6 for the year that precedes the current year; plus

32 (4) the school corporation's excise tax revenue for the year that
 33 precedes the current year by two (2) years; minus

34 (5) an amount equal to the reduction in the school corporation's
 35 tuition support under subsection (b) or IC 20-10.1-2-1, or both.

36 (b) A school corporation's previous year revenue shall be reduced
 37 if:

38 (1) the school corporation's state tuition support for special or
 39 vocational education was reduced as a result of a complaint being
 40 filed with the department of education after December 31, 1988,
 41 because the school program overstated the number of children
 42 enrolled in special or vocational education programs; and



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(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

SECTION 5. IC 21-3-1.7-5, AS AMENDED BY P.L.273-1999, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. As used in this chapter, "tuition support levy" means with respect to a school corporation for a year the maximum general fund ad valorem property tax levy for the school corporation determined under IC 6-1.1-19-1.5 reduced by the following:

(1) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

~~(2) The original amount of any excessive tax levy the school corporation imposed as a result of the passage, during the preceding year, of a referendum under IC 6-1.1-19-4.5(c) for taxes first due and payable during the year.~~

~~(3)~~ (2) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

SECTION 6. IC 21-3-1.7-6.8, AS AMENDED BY P.L.291-2001, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6.8. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:

STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(b) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:

(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.



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(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the result determined in STEP ONE of the formula in section 6.7(b) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter is equal to STEP ONE of the formula in section 6.7(b) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

~~(ii) The original amount of any excessive tax levy the school corporation imposed as a result of the passage, during the preceding year, of a referendum under IC 6-1.1-19-4.5(c) for taxes first due and payable during the year.~~

~~(iii)~~ (ii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(B) Divide the clause (A) result by the school corporation's current ADM.

(C) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(D) Divide the clause (C) result by ten thousand (10,000).

(E) Determine the greater of the following:

(i) The clause (D) result.

(ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.

(F) Divide the clause (B) result by the clause (E) amount.

(G) Divide the clause (F) result by one hundred (100).

STEP THREE: Determine the sum of:

(A) ninety-one and eight-tenths cents (\$0.918) in 2002; and

(B) ninety-five and eight-tenths cents (\$0.958) in 2003; and

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1 if applicable, the STEP ONE or STEP TWO result.

2 SECTION 7. IC 21-3-1.7-8, AS AMENDED BY P.L.291-2001,
3 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2003]: Sec. 8. Notwithstanding IC 21-3-1.6 and subject
5 to section 9 of this chapter, the state distribution for a calendar year for
6 tuition support for basic programs for each school corporation equals
7 the result determined using the following formula:

8 STEP ONE:

9 (A) For a school corporation not described in clause (B),
10 determine the school corporation's result under STEP FIVE of
11 section 6.7(b) of this chapter for the calendar year.

12 (B) For a school corporation that has target revenue per
13 adjusted ADM for a calendar year that is equal to the amount
14 under STEP ONE (A) of section 6.7(b) of this chapter,
15 determine the sum of:

16 (i) the school corporation's result under STEP ONE of
17 section 6.7(b) of this chapter for the calendar year; plus

18 (ii) the amount of the annual decrease in federal aid to
19 impacted areas from the year preceding the ensuing calendar
20 year by three (3) years to the year preceding the ensuing
21 calendar year by two (2) years; plus

22 ~~(iii) the original amount of an excessive tax levy the school~~
23 ~~corporation imposed as a result of the passage, during the~~
24 ~~preceding year, of a referendum under IC 6-1.1-19-4.5(c) for~~
25 ~~taxes first due and payable during the year; plus~~

26 ~~(iv)~~ (iii) the part of the maximum general fund levy for the
27 year that equals the original amount of the levy imposed by
28 the school corporation to cover the costs of opening a new
29 school facility during the preceding year.

30 STEP TWO: Determine the remainder of:

31 (A) the STEP ONE amount; minus

32 (B) the sum of:

33 (i) the school corporation's tuition support levy; plus

34 (ii) the school corporation's excise tax revenue for the year
35 that precedes the current year by one (1) year.

36 If the state tuition support determined for a school corporation under
37 this section is negative, the school corporation is not entitled to any
38 state tuition support. In addition, the school corporation's maximum
39 general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount
40 of the negative result.

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SENATE MOTION

Mr. President: I move that Senator Blade be added as second author of Senate Bill 175.

LONG

SENATE MOTION

Mr. President: I move that Senator Kenley be added as coauthor of Senate Bill 175.

LONG

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 175, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 175 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 1.

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SB 175—LS 6399/DI 103+



SENATE MOTION

Mr. President: I move that Senate Bill 175 be amended to read as follows:

Page 5, line 25, delete "." and insert "**and another referendum under this subsection may not be held for a period of two (2) years after the date of the referendum.**".

Page 6, between lines 14 and 15, begin a new paragraph and insert:
"SECTION 2. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31,

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- 1983; plus
- (iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus
- (C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus
- (D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:
- (i) is entered into after December 31, 1983;
 - (ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and
 - (iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus
- (E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (F) the remainder of:
- (i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
 - (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (G) the amount of property taxes imposed in the county for the stated assessment year under:
- (i) IC 21-2-15 for a capital projects fund; plus
 - (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 - (iii) IC 20-14-13 for a library capital projects fund; plus
 - (iv) IC 20-5-17.5-3 for an art association fund; plus

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- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) **IC 21-2-11.6 for a referendum tax levy fund; plus**
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- ~~(vii)~~ (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus
- (H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5(a) STEP ONE or any other law; minus
- (I) for each township in the county, the lesser of:
 - (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or
 - (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus
- (J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus
- (K) for each county, the sum of:
 - (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and
 - (ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a)

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STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3."

Renumber all SECTIONS consecutively.

(Reference is to SB 175 as printed January 23, 2002.)

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